

The Future of Global Payments: Fragmentation, Tokenization, and Opportunity

Traditional cross-border payment infrastructure, defined by pre-funding requirements, slow settlements, and intermediary chains, places unnecessary strain on liquidity, introduces risk, and limits growth. But this is changing. The rise of decentralised, collaborative networks backed by tokenised deposits is enabling a new era of cross-border payments: instant, predictable, and interoperable by design.

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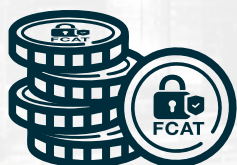
Executive Summary

The global payments market is undergoing rapid transformation. New technologies and shifting geopolitical dynamics are disrupting traditional models and unlocking new possibilities for financial institutions of all sizes. This white paper explores the rise of collaborative networks, tokenized deposits, and distributed ledger technology (DLT) as enablers of an open, efficient and inclusive global payment infrastructure. By centralizing pre-funding and removing intermediaries with trust-based peer-to-peer networks where the underlying collateral is held by a secure third party, Centiglobe and others are accelerating a shift to instant, predictable two-way cross-border payments for banks and PSPs of all sizes.

Key Takeaways:



Fragmentation is the new norm. The global payment landscape is becoming more multipolar, requiring interoperability between old and new solutions, CBDCs, stable coin, private token networks, regional solutions and more.



Tokenized deposits unlock new efficiencies. By reducing the need for pre-funding in different locations and intermediaries, DLT-based networks lower capital costs, reduce counterparty risk, and provide 24/7 settlement capabilities.



Collaboration drives growth. In peer-to-peer payment networks, smaller institutions can also act as global players by leveraging new technology, sharing capabilities and accessing new flows through reciprocal, API-enabled connections.

Setting the Scene: A Market in Motion

Cross-border payments today generate over \$250 billion USD in revenue and are expected to grow by over 50% by the end of the decade. Yet the infrastructure underpinning these flows still relies on decades-old correspondent banking models. Long chains of intermediaries, lack of transparency, and costly pre-funding continue to create friction for banks and their clients.

At the same time, the global demand for faster, more cost-efficient and inclusive payments is intensifying. Initiatives like the G20/FSB roadmap for cross-border payments are pushing for interoperability and innovation across financial systems. In this evolving landscape, the ability to access global payment markets without becoming a global bank is becoming a key competitive differentiator.

From Uniform Infrastructure to a Fragmented Future

For decades, the global payments system has relied on a relatively uniform infrastructure dominated by correspondent banks and the messaging standard SWIFT. That model is now giving way to a fragmented, multipolar future where multiple infrastructures, from CBDCs to stablecoins to tokenized deposits, must coexist. In this new landscape, interoperability is not a technical preference but a foundational requirement. Without it, the emerging payment systems risk becoming isolated silos, undermining scalability and global reach. Seamless interoperability is essential to ensure that value and data can move freely between old and new systems, across jurisdictions, and among diverse financial actors. It is the key enabler for realizing the benefits of innovation while maintaining operational continuity across the ecosystem.

This shift is being driven by:

- Technological innovation in blockchain and DLT
- Emergence of private and public payment networks like Ethereum, Solana, Kinexys, Ripple and Centiglobe
- Regulatory tailwinds and digital asset frameworks
- Regional payment initiatives and global CBDC projects

To scale in this environment, payment institutions must connect to an ecosystem of interoperable rails, where value and information can flow seamlessly between legacy systems, new networks, and local payment methods.

The Tokenized Advantage Brings New Capabilities and Lower Risk

Among the most transformative innovations are tokenized deposits: digital representations of fiat money held at licensed institutions, recorded on DLT. When integrated within permissioned networks, tokenized deposits become a powerful tool for enabling efficient, trust-based settlement.

The reduction in pre-funding requirements stems from the combination of centrally placed collateral with a trusted third-party institution, and the subsequent tokenization of that collateral, that represents the transformative innovation. This structure enables real-time settlement between institutions and immediate value transfer without reliance on legacy cut-off times or correspondent banking.

These innovations significantly lower capital costs while also reducing counterparty risk, as transactions occur on a permissioned, trust-based infrastructure.

Cost & Risk Comparison Snapshot

Traditional Model:

Requires pre-funding in multiple markets, tying up capital that could be deployed elsewhere.

Transaction visibility is fragmented across providers.

Tokenized Model:


Capital is pooled centrally and only transferred when needed, reducing the working capital burden. The high netting efficiency further reduces the need for collateral.

End-to-end traceability is built into every transfer. Additionally, the traceability and auditability inherent to distributed ledgers allow for stronger oversight and easier regulatory reporting.

Unlike cryptocurrencies, tokenized deposits retain fiat denomination and regulatory oversight, making them a practical enabler for real-world payment use cases. They are easier to integrate into legacy banking systems and more regulator friendly, in particular in jurisdictions where the legal status of crypto and stablecoins are in question.

Networks like Centiglobe Connect use tokenized deposits to facilitate peer-to-peer banking relationships. A sending bank transfers tokens backed by collateral to a receiving bank, which makes the local payout. No correspondent account. No credit exposure. No hidden delays.

What Different Stakeholders Gain

Stakeholder	Key Benefits
 CXOs	Compete globally with instant, secure cross-border transactions and cut operational costs. Free up capital through centralized pre-funding. Differentiate your offering in a crowded market. Eliminate credit risk on counterparties and correspondent banks and expand reach without building local infrastructure.
 Treasury Teams	Improve your liquidity management by using a centralised pre-funding pool instead of scattering cash across different counterparties and geographies. Introduce multi-party and multi-currency netting. Utilise “client funds” as pre-funding instead of equity and debt to reduce costs and grow business faster. Automate reconciliation and reduce error handling. With instant settlements working capital is improved.
 Network and new markets	Broaden your global reach by utilising Centiglobe members for payouts without intermediaries. Increase your resilience and find redundancy to your existing correspondent banks. Open new alternative corridors for higher risk verticals. Improve your resilience and create redundancy to Swift and existing correspondent banks. Get direct access to payment systems without intermediaries.
 Sales	Launch services like global pay-in and pay-out service for cross-border payments and scale two-way global payments with one integration. Find new revenue streams by offering your services to existing customers on the network.

Unlocking Interoperability and Collaboration

The future of cross-border payments is not winner-takes-all. It is a web of coexisting systems. Success requires collaboration across infrastructure types, regions and institutions.

To make this new ecosystem work, different systems need to connect and interact smoothly. This means finding ways for token-based and traditional account-based systems to work together. Both B2B and B2C payments need to be supported to meet the different needs of financial institutions and their clients.

Bridging old and new technologies is essential. Traditional messaging systems must be able to interact with modern value-transfer networks so that payments can move freely between different platforms. Banks and PSPs can now interact directly without intermediaries and build collaborative networks of partner banks without the global correspondent banks in the middle. Collaborative networks allow smaller financial institutions to grow and develop their business beyond what's been possible before. They offer their local capabilities, access to domestic payment rails, FX, or client relationships, to others on the network, and gain the same in return, thus creating new revenue streams and reducing costs.

Turning Concepts Into Capabilities for Real-World Impact

As tokenized networks mature, new services become possible:

- **Conditional payments:** Pay only on delivery or completion of predefined criteria.
- **Tokenized settlement:** Synchronize payments with asset transfer, enabling Delivery vs Payment (DvP) for tokenized securities.
- **Instant liquidity:** Replace days-long reconciliation and funding cycles with 24/7 liquidity movement.

These capabilities enable a range of use cases across cross-border payments, from remittances to b2b payments and tokenized asset markets.

What the Future Holds for a Multipolar, Inclusive Payment System

The global payments ecosystem is no longer a closed club. Through tokenized deposits and distributed ledger-based networks, institutions of all sizes can participate in global value exchange without relying on outdated infrastructure.

This change is not just technical. It is structural. It levels the playing field, allowing PSPs, regional banks and emerging market institutions to compete globally. It reduces systemic risk. It unlocks capital. And it delivers on the promise of more inclusive financial connectivity.



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Centiglobe helps banks and payment providers break free from traditional infrastructure, turning cross-border payments into a strategic asset for growth and innovation.

Learn more: www.centiglobe.com

Let's Talk

If your institution is exploring how to reduce cross-border payment costs, improve liquidity, or move away from pre-funding, we'd love to connect. Reach out to our team to learn more about how Centiglobe Connect can support your payment strategy.

